

The Influence of Uncertainty, Communication and Employee Passion on Readiness to Change at PT XYZ

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ABSTRACT

Keywords:

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Organizational change often brings uncertainty among employees, which can affect their readiness to adapt to the change. In this context, effective communication and employee passion are key factors in reducing uncertainty and increasing readiness to change. PT XYZ, a large manufacturing company in Indonesia, is undergoing a digital transformation through the implementation of a new ERP system aimed at improving work efficiency and effectiveness. This study aims to explore the influence of uncertainty, communication, and passion on employee readiness to change at PT XYZ. The objective of this study is to examine the influence of uncertainty, communication, and employee passion on readiness to change at PT XYZ. This study also aims to identify the most significant factors affecting employee readiness to adapt to the ongoing changes. Thus, it is expected that this research will provide valuable insights for PT XYZ's management in managing change and minimizing employee resistance. Using a quantitative approach, data were collected from 266 employees across various departments and analyzed with the Partial Least Squares (PLS) method. The findings reveal that uncertainty negatively affects readiness to change, while effective communication and employee passion significantly enhance it. Notably, communication effectiveness and employees' enthusiasm for change emerged as key drivers of organizational adaptability. The study highlights the need for PT XYZ's management to minimize uncertainty through transparent communication strategies and foster a positive work culture to enhance employee readiness. These insights provide valuable guidance for organizations undergoing similar transformations, emphasizing the critical role of communication and employee engagement in change management success.



Introduction

Digital transformation is an inevitable change for organizations to stay relevant to the times. An ERP system is a centralized system that integrates each part of an organization. Many large companies adopt ERP systems for their business operations. In adopting an ERP system, it is carried out in a working framework known as an implementation project.

Business consulting firms and ERP system implementers are starting to implement change management into project management frameworks. Consulting firms and academics are beginning to realize the importance of human psychological factors to change. In 2012, change management became a new topic in project management standards by incorporating human factors into project management. Human psychology factors are seen as an important factor in project management, including ERP system implementation projects. One of the approaches that change management uses is HCMBOK. The well-known project management framework, PMBOK, also includes a change management sub-topic in the guidebook. The results of a survey conducted by the Project Management Institute in 2017 showed that 67% of senior leaders consider change management management as a very high priority (Wibowo, 2021).

Change management is a tool, process and also a technique to manage all the consequences that result from change in an organization. According to the stages of change management, it is divided into 3 stages, namely (Lewin, 1947; Wibowo, 2021) *unfreezing*, *changing*, and *refreezing*. One of the important factors in change management is measuring *readiness to change*. Readiness to change is at the *unfreezing stage*, which is the stage of individuals or organizations to break away from the status quo. argued that readiness to change was identified as a comprehensive process including individual attitudes, group attitudes and organizational attitudes (Kotter, 1995).

One of the important things to support organizational change is employee readiness in facing these changes, dividing readiness for change based on contextual factors, leadership, organizational culture, organizational capabilities and technology. The research conducted shows that readiness to change is the result of the division of individual psychological states and shared psychological states. In carrying out change management, an assessment of change readiness needs to be carried out before the implementation of change is carried out. This is to help organizations understand the level of readiness to face change. Research conducted by Dudija & Rahma (2023); Alolabi et al. (2021); Weiner (2009); Kotter (1995) shows that companies that measure readiness for change have a greater chance of succeeding in implementing change management.

PT XYZ is one of the companies that implements digital transformation through the gradual implementation of a new ERP system in each factory. The implementation of this new ERP system is carried out with the aim of helping employees complete work faster and more efficiently. The implementation of this new system will change processes, systems and also the way employees work. The challenge faced by PT XYZ is to make the ERP system to be implemented acceptable to employees and used effectively and efficiently. PT XYZ seeks to reduce the risk of resistance by implementing change management. The focus of change management carried out by PT XYZ is an approach related to system users. The change management activities carried out include providing understanding to system users regarding changes that will occur and preparing system users with training. Change management is needed as a means to manage changes that occur in the digital transformation process related to organizations and employees.

The Influence of Uncertainty, Communication and Employee Passion on Readiness to Change at PT XYZ

PT XYZ together with consultants conducted a survey of employees using questions related to the change readiness factor. This survey was conducted from August to September 2023 with a total of 1024 respondents. The survey questions use a likert scale of 1 to 5 according to the scale table. PT XYZ is said to be ready to implement changes if the value obtained is on a scale of 4.

Table 1. Survey Scale

Scale	Description
1	Very unready
2	Unready
3	Moderate Ready
4	Ready
5	Very Ready

Tabel 2. Survey Results Readiness to Change

No	Dimension	Description	Value
1	Business Performance	Changes in overall effectiveness of each Business Areas in the last 6 months	4.2
2	Benefits Realization	Potential improvement of each business area due to the benefits from the Project	4.0
3	Risks And Roadblocks	The level of management support required to get the full benefits of Project.	4.3
4	Changes Taking Place	Changes related to culture, values, attitude at which changes are being carried out in specific business areas.	4.0
5	Vision And Direction	Purpose and vision of PT XYZ by implementing project.	4.0
6	Communication	Effectiveness of communication channel on delivering information	3.4
7	Skills And Staffing	Adequacy of capabilities (skills and knowledge), and staffing needed to achieve the objective.	3.8
8	Teamwork	Level of collaboration between members on driving the objectives of the Project	4.2
9	Business leadership	Support and lead from Business Area Manager to ensure success of Project	4.0
10	Accountability	Clear roles, responsibilities, and performance objectives	4.1
11	Passion and drive	Overall motivation and drive of team member towards Project	3.6
12	Uncertainty Feeling	Overall emotional state (Uncertainty, Worry, Distress) of team member towards Project.	2.7
13	Team Leadership	Overall management capability in leading change implementation, utilizing talent and capabilities.	4.0
14	Systems And Processes	Adequacy of system, process, and procedures needed to support the objectives of the project.	3.8
Average			3.86

The results of this survey were reported to the management of PT XYZ on October 12, 2023. The results of the survey show that on average PT XYZ is in the category below ready or it can be said that PT XYZ is not ready to make changes. Based on the results of this survey, it is necessary to look at dimensions that have values below average as variables that affect readiness to change. There are 3 dimensions related to employees, having a value below average, namely the dimension of *uncertainty feeling*, the dimension of communication and the dimension of passion and drive.

In the *dimension of uncertainty feeling*, 46% of respondents felt feelings of uncertainty such as fear, anxiety, stress and were still confused about what had changed with this project. The communication dimension in the survey measures the effectiveness of communication in verbal and written form. As many as 68% of respondents considered communication quite effective. There were 74% of respondents who stated that they were enthusiastic and enthusiastic about this project.

Following up on the results of the survey, a discussion was held with *the change agent* on October 27, 2023 to explore what underlies the 3 dimensions with below-average values. In this case, *the change agent* is an employee representative appointed by each department to convey input and suggestions to the project team, in conjunction with human resources at PT XYZ. Uncertainty arises because some employees think their current position will be replaced after the change is made. They are also worried that their work will become more difficult than the current conditions.

According to uncertainty, it is one of the consequences of organizational change. Research conducted (Allen et al., 2007; Bordia et al., 2004) that measured uncertainty variables in the hospital restructuring process, showed that uncertainty has an influence on readiness to change. In the study, uncertainty was identified with indicators of unclear job roles, unclear communication of change, fear of layoff issues and restructuring. (Alsolami et al., 2023) In his research related to readiness to change in the context of environmental uncertainty, he also shows uncertainty as the dominant factor that affects the readiness to change. The results of the study give an idea that the higher the uncertainty, the lower the readiness to change

Regarding communication, there are still employees who do not know that an ERP implementation project will be carried out. According to several heads of information departments related to the implementation of this project, it seems sudden and not informed in detail what will change. The media to convey information related to this project uses more email, the use of email is felt to be unable to reach all employees. This is because almost 60% of employees do not have an email address.

Research by Elving (2005) shows that communication at times of organizational change is one of the most important things to reduce resistance to change. In his research, he identified that communication has an important role in reducing conflicts when organizational changes occur. and using communication variables in his research model to identify their influence on readiness to change. The results of the study show that there is a positive and significant influence between communication and readiness to change.

The communication measured in the study is the quality of the communication conveyed. The study shows that the effectiveness of communication affects the readiness to change (Mckay et al., 2013; Meyer, 2021; Prabawati, 2018).

In the results of the passion dimension survey, at least 74% of respondents stated that they were enthusiastic and supported the implementation of this project, but based on a sample of attendance data for one of the project activities, as many as 79% of employees who were appointed to attend this activity did not attend and did not send their replacements. The data used to see this phenomenon is the average attendance data from October to December which is presented in the following table.

Table 3. Project team attendance data

Month	Total Invited Participants	The number of paaticipir
October 2023	60	12
November 2023	60	15
December 2023	60	11
Average		21%

According to (Postsangbam , 2020) Conducted research on readiness to change in executive-level leaders in national multilevel companies in Japan and India. One of the dimensions measured is passion, using an instrument (Robert Kriegel , 1997. The results of the study show that Passion has a positive effect on readiness to change in almost all locations. The same results were shown by research from which stated that passion affects students' learning readiness to learn online during the covid 19 pandemic.(Idulfilastri & Zamality , 2022)

Uncertainty, communication and passion based on the results of internal surveys and links with previous research reviews show that there is a suitability. Uncertainty will arise as a consequence of organizational change. Communication effectiveness has an important role in reducing resistance to change and passion has an influence on readiness to change. These three variables have an influence on readiness to change. These three variables are related to each other. Uncertainty can occur due to ineffective communication that affects readiness to change. Low passion and drive can decrease motivation which will have an impact on readiness to change. The purpose of the study is to evaluate the level of communication effectiveness at PT XYZ in supporting readiness to change. With a better understanding of the 3 factors that affect change readiness, PT XYZ was able to identify the focus of implementing change management activities to improve organizational readiness and reduce resistance.

Research Methods

This research is included in the type of quantitative research because it aims to analyze the influence between free variables and bound variables. According to (Iba & Wardhana, 2023) qualitative research involves collecting quantitative data from the entire

population in the form of numbers and applying statistical analysis. With the help of the analysis, it is used to identify patterns, relationships and correlations in the data. In this study, the independent variable and the bound variable are connected to answer the problem formulation in chapter one.

The types of research variables according to (Iba & Wardhana, 2023) consist of independent variables, bound variables, moderating variables and intermediate variables. In this study, only independent variables and bound variables are used. An independent variable is a variable whose values do not depend on other variables and have an influence on other variables. A bound variable is a variable whose value is influenced by an independent variable. In this study, the independent variable is the cause of readiness to change, namely the variables of uncertainty, communication and employee passion and the bound variable is readiness to change.

Results and Discussion

Discussion of Research Results

There are seven problem formulations in this study which are explained in chapter one, namely the level of uncertainty felt by employees at PT XYZ, the level of communication effectiveness at PT XYZ in supporting readiness to change, the level of passion of employees at PT XYZ in carrying out change, the level of readiness of employees at PT XYZ to change in the face of change, the influence of uncertainty on readiness to change, The influence of communication on readiness to change and the influence of passion on readiness to change. The formulation of the problem will be answered using the results of descriptive analysis and the results of path analysis.

In this study, the dominant age of respondents at the age of 20-30 years is 67% and the percentage of gender is 94% is male. As many as 64% of respondents have a position as a staff with a working period of 5-10 years. It can be said that in general, the respondents are men with the age of 20-30 years, have a position as a staff with a working period of 5-10 years. This description of respondents shows that most of the ERP system users at PT XYZ are male employees at a young age with moderate work experience.

The level of uncertainty felt by employees at PT XYZ

The level of uncertainty felt by employees at PT XYZ can be answered using a continuum that the uncertainty is at a moderate level of 66%. These results show that uncertainty is not felt much by respondents. The highest dimension is the relational uncertainty dimension with the highest score of 69% on the X1.10 statement item, which is difficulty communicating with team members. Difficulty communicating with team members is the highest factor that causes uncertainty at PT XYZ.

Judging from the characteristics of the respondents, as many as 64% have a position as a staff, it is possible to have a communication gap with superiors. The existence of communication gaps can cause employees to be reluctant to submit questions or opinions about the changes that will be made. Questions or opinions that are not conveyed can cause a sense of uncertainty in employees.

The Level of Communication Effectiveness at PT XYZ in Supporting Readiness to Change

The level of communication effectiveness at PT XYZ in supporting readiness to change can be answered by looking at the communication variable continuum, which is in the good category of 80%. There are 2 dimensions with the highest scores, namely the dimension of information usefulness and information adequacy. Items X2.1 and X2.3 have the highest scores for the usability dimension of information. Statement item X2.1 is Information received regarding changes in the implementation of the ERP system is useful and statement item X2.3 is Information received regarding changes in the implementation of the ERP system helps to understand the impact of the change on the work.

The information adequacy dimension is represented by the X2.5 statement item with the highest score. The X2.5 item statement shows that there are several details of information provided related to changes in the implementation of the ERP system that the respondent did not get. These results show that the effectiveness of communication in supporting readiness to change is supported by the level of usefulness of information and the quality of information adequacy. The high usefulness of this information shows the importance of information related to changes to be conveyed to ERP system users.

Judging from the characteristics of respondents who are 20-30 years old, the usefulness of information is very important. This age range is included in the millennial generation and generation Z groups. This generation tends to value more specific information that is directly related to work. Information that explains the impact of change on work is important because this generation is more focused on how technology affects work (Widyaputri & Sary, 2022).

The characteristics of respondents who have worked more in the range of 5-10 years, show that employees have a work process that has become a habit or routine. Information related to changes to the ERP system can help understand the impact of changes on work habits or routines that have been carried out so far. The characteristics of the respondents who are large are staff make information related to ERP system changes important. Staff positions tend to carry out more work directly using the ERP system. Having relevant information will help you understand the changes in the way you work with ERP systems.

Effective communication can shape the perception of organizational members regarding the positive benefits of a change. In addition, effective communication also plays a role as a mediator in resolving conflicts of interest within the organization (Mukti & Dudija, 2015).

The Level of Passion of Employees at PT XYZ in Implementing Change

The level of passion of employees at PT XYZ in carrying out changes can be answered by looking at the continuum of the passion variable, which is at a high level of 80%. The highest dimension is passion harmony with a score of 89%. The X3.4 statement

item has the highest score for the harmony passion dimension. Item X3.4 states that The work done by respondents provides experience for respondents. The results showed that the respondents' experience contributed the most in creating a passion for employee harmony at PT XYZ.

This result is possible when viewed from the age characteristics of respondents who are dominated by the generation Z group and the millennial generation. This group of people is in the early stages of their careers who are still learning a lot and looking for experience. Work that provides experience can give rise to the passion of harmony. Judging from the characteristics of the dominant working period in the range of 5-10 years, it shows that the respondents have enough work experience. The characteristics of most respondents also have staff positions. This shows that most of the work done is routine work. Harmony passion will arise when the work done provides new experiences and contributes to career development. The change in the ERP system provides a new experience that can give rise to the passion of harmony.

The level of readiness of employees at PT XYZ to change in the face of change

The level of readiness of employees at PT XYZ to change in the face of change can be answered by looking at the continuum of variable readiness changes, which is at a very high level. The highest dimension of is the confidence to change with a score of 89%. The value of the statement item Y1.18 has the highest percentage value for the confidence dimension. Item Y1.18 states that the respondents believe that they can participate in the success of the ERP system change at PT XYZ.

This result is possible if you look at the majority of respondents in the age group of 20-30 years. This age group tends to be more open to change and have confidence in learning new technologies. Judging from the characteristics of the working period, respondents tend to have in-depth experience with the ERP system used. This can give rise to the urge to participate in change. Based on the characteristics of the position, most respondents are directly involved in the use of the ERP system. This involvement raises confidence in participating in the success of ERP system changes at PT XYZ.

The Effect of Uncertainty on Readiness to Change

Based on the results of the path coefficient analysis, it was stated that the H1 hypothesis was accepted. It can be stated that the uncertainty variable has a negative effect on readiness to change significantly. This suggests that uncertainty is inversely correlated with readiness to change. The higher the uncertainty, the lower the readiness to change.

The dimension of relationship uncertainty is the dimension that has the highest score. Relationship uncertainty is indicated by uncertainty in terms of communication between superiors and subordinates. The findings are in line with findings (Elving, 2005) that suggest that incomplete communication can influence feelings of uncertainty. Sufficient information can reduce the uncertainty caused by the existence of a working relationship between superiors and subordinates. The results of the research conducted

stated that sufficient information is the main attribute in reducing uncertainty (Alsolami et al., 2023).

The next dimension of uncertainty is the dimension of ambiguity, task uncertainty and structural uncertainty. The findings related to this dimension are also in line with previous research. The uncertainty of tasks and structures in organizations has a significant negative influence on the readiness of individuals to change in research conducted by . Role ambiguity causes a sense of threat, frustration, anxiety, and confusion in employees regarding their responsibilities within the organization. This makes employees less prepared for the change and more likely to feel that the change will not have a positive impact on them (Goksoy, 2012).

Judging from the results of the effect size value, the uncertainty variable has a value in a small category. From these results, it can be stated that the uncertainty variable has a significant negative influence on the readiness to change, but the impact resulting from this variable is relatively small.

The Effect of Communication on Readiness to Change

Based on the results of the path coefficient analysis, it was stated that the H2 hypothesis was accepted. It can be concluded that communication variables have a positive effect on readiness to change significantly. From these results, it can be stated that the higher the quality of communication, the higher the readiness to change. The quality of communication related to changes at PT XYZ is greatly influenced by the usefulness of information and the adequacy of information. The results of this finding confirm the results of previous research that the adequacy of communication related to change is A key predictor in the readiness for change dimension, and in some segments of the workforce (e.g., non-leaders) adequate and timely communication can compensate for the lack of participation in decision-making on the outcome of organizational transformation (Mckay et al., 2013).

The suitability of media or communication channels is one of the dimensions that also contributes to the quality of communication received by employees regarding changes in the ERP system at PT XYZ. With a direct communication medium to employees, it can reduce the dependence on the role of superiors or leaders in conveying information. This is in line with the results of research where the role of leaders in conveying change information does not have much significant effect. Information about change will eventually reach employees also through other channels besides just through their leaders (Meyer, 2021).

The communication variable has an effect size value in the medium category. From these results, it can be concluded that communication variables have a significant positive influence and the impact produced is in the medium category.

The Effect of Passion on Readiness to Change

Based on the results of the path coefficient analysis, it was stated that the H3 hypothesis was accepted. It can be concluded that the passion variable has a positive effect

on readiness to change significantly. From these results, it can be stated that the higher the employee's passion, the higher the readiness to change. The passion of employees at PT XYZ is dominated by the passion of harmony formed because of the respondents' experience at work. The results of this study are in line with the research from (Idulfilastri & Zamality, 2022). The study measured the level of passion for readiness to change in learning in students during COVID 19. The results of the study show that passion represented by harmony passion has a significant influence on readiness to change.

Variable passion has an effect size value in a small category. From these results, it can be concluded that the passion variable has a significant positive influence but the impact produced is in a small category.

Conclusion

Based on the analysis conducted, the level of uncertainty felt by employees at PT XYZ is in the medium category, while communication shows good effectiveness in supporting readiness to change, with the highest indicators of usability and adequacy of information. The level of employee passion is in the high category, showing strong enthusiasm in implementing change. The readiness of employees to change is also in a very high category, which reflects the organization's readiness to face transformation. In addition, it was found that uncertainty had a negative and significant influence on change readiness, while communication and passion had a positive and significant effect on change readiness. Thus, it can be concluded that to increase the readiness to change in the organization, it is necessary to reduce the level of uncertainty and improve the quality of communication and employee passion.

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